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**DRAFT MEETING MINUTES  
ARIZONA CLIMATE CHANGE ADVISORY GROUP (CCAG)**

Salt River Project Public Administration Building  
1521 North Project Drive, Tempe  
Meeting #5 – May 16, 2006

**Members in attendance:**

Bahr, Berry, Clark, Cook, De Masi, Downey, Elliott, Engel, Fox, Gammage, Gatewood, Hayslip, Henness, Homer, Kramer, Martin, Mohin, O'Regan, Owens, Pfister, Schlegel, Seitts, Taylor, Tobin

**Members absent:**

Boyd, Crosswhite, Cuning, Etsitty, Kinsall, McGinnis, Netko, Pfeifer, Ramirez, Seitz, Swetnam

**Discussion items:**

1. Tom Peterson of the Center for Climate Strategies (CCS) facilitated the meeting, reviewed the agenda and explained the purpose of the meeting in the context of the overall master schedule. The purpose of the meeting is:
  - a. To provide the Climate Change Advisory Group (CCAG) with results of the quantification and analysis for the policy options being considered for inclusion in the final report.
  - b. To achieve the CCAG's consensus for options that will be included in the final report, or to identify specific barriers to consensus that can be resolved by the final CCAG meeting.
2. Members approved the March 17, 2006 meeting summary without objection.
3. Upon request, Peterson briefly presented the draft cumulative results of the low and high range scenarios for GHG reductions against the reference case (see Slide #4) in the context of the goal options that the Cross Cutting Issues technical work group developed (see Slides 20-22.)
4. CCS TWG facilitators presented the results of quantification and analysis completed since the March 17 CCAG meeting. Members were then asked if there was consensus for including options in the final report, or to identify options that required more discussion. The results of this discussion are as follows:
  - a. Residential-Commercial-Industrial Sector (12 options total – see Slide #12)

- i. RCI Options 1-10 were approved for inclusion in the final report, subject to minor technical revisions. RCI-9 requires additional data.
  - ii. RCI-11 was redirected to the Energy Supply TWG for consideration as Option ES-4 (GHG Cap and Trade).
  - iii. CCS will develop a write-up for RCI-12 (Solid Waste, Wastewater and Water Use Management) and submit for consideration and approval at the next CCAG meeting.
- b. Agriculture and Forestry Sector (15 options – see Slides #13 and 14)
  - i. All Forestry options were approved for inclusion in the final report, subject to minor technical revisions.
  - ii. Agriculture options A-1a, A-2, A-3, A-7 and A-9 were approved for inclusion in the final report, subject to minor technical revisions.
  - iii. Options A-1b (Manure Management), A-4 (Change Feedstocks), A-6 (Grazing Management) and A-8 (Agricultural Land Protection from Developed Uses) are pending reconsideration at the next CCAG meeting.
  - iv. There was CCAG consensus that Option A-5 (Reduce Non-Farm Fertilizer Use) should not be included in the report because of its limited emission reduction potential.
- c. Transportation and Land Use Sector (6 options – see Slide #15)
  - i. TLU options 1, 2, 4 and 5 were approved for inclusion in the final report, subject to minor technical revisions.
  - ii. CCS will develop a write-up and complete quantification and analysis for TLU-3 (Multimodal Transit Options) and submit for consideration and approval at the next CCAG meeting.
  - iii. TLU-6 (Gas Tax) appeared to lack consensus support of CCAG and is pending final vote at the next CCAG meeting.
  - iv. Members discussed whether additional options should be considered in this sector. CCS agreed to develop write-ups and analysis for the following:
    - 1. diesel retrofits for black carbon reduction potential
    - 2. biodiesel, ethanol and other fuels
    - 3. incentive programs to increase rate of vehicle fleet turnover
    - 4. state lead-by-example programs (eg., Smart Way and state vehicle procurement)
    - 5. pay-as-you-drive insurance programs
    - 6. “feebates” for energy efficient vehicles
    - 7. low-rolling resistance tires
    - 8. hybrid vehicle use expansion and other technologies for vehicles
    - 9. reduction in the vehicle license tax for hybrid vehicles
    - 10. 60 mph speed limit for trucks on freeways and parkways
- d. Energy Supply Sector (12 options – see Slides #16-18)
  - i. ES-3, ES-9, ES-10, ES-11 and ES-12 were approved for inclusion in the final report, subject to minor technical revisions.

- ii. ES-4 (Cap and Trade) was approved for inclusion in the final report, with insertion of language that indicates a preference for an economy-wide, national program but with support for a Western regional program.
  - iii. ES-1, ES-2, ES-5, ES-6, and ES-8 are pending a final vote at the next CCAG meeting.
    - 1. CCAG supports having ES-1 (Environmental Portfolio Standard) included in the final report, but members want to reconsider which of two variations of the option that were forwarded by the TWG is to be recommended to the governor.
    - 2. ES-2 (Public Benefit Charge Funds) lacked TWG support because of its relatively high cost per ton of emission reduction ratio.
    - 3. It was noted that ES-5 (Generation Performance Standards) and ES-6 (Carbon Intensity Targets) may be mutually exclusive.
  - iv. There was CCAG consensus that ES-7 (Voluntary Utility CO2 Targets) lacked support because other options appeared to be able to deliver more emission reduction for similar cost, and should not be included in the final report.
- e. Cross Cutting Issues (5 options – see Slide #19)
  - i. CC-2, CC-4 and CC-5 were approved for inclusion in the final report.
  - ii. Members discussed alternative proposed state GHG emissions reduction goals (CC-1) in the context of high- and low-range scenarios for reducing emissions (see Slides #20-22). Members agreed to support a goal of achieving 2000 emission levels by 2020, with a 50 percent reduction below 2000 levels by 2040. Further consideration will be given at the next meeting to draft language regarding “early, aggressive actions” in lieu of setting targets for near-term (i.e., 2010) reductions.
  - iii. One member expressed tentative objection to CC-3 (GHG Registry), and this option is pending a final vote at the next CCAG meeting.
- 5. Members agreed that there should be a conference call scheduled before the next CCAG meeting to review the results of the additional analysis and to identify any remaining issues with respect to the list of pending options. All CCAG members will be notified of the date and time and invited to participate on the call.
- 6. CCS agreed to circulate draft language of the final report in advance of the next CCAG meeting.

#### **Announcements:**

The next meeting of the CCAG will be held on Thursday, June 22, 2006, beginning at 9:30 a.m. at the Salt River Project Public Administration Building, 1521 North Project Drive, Tempe. This is the final scheduled meeting of the CCAG.

Agenda items for the next CCAG meeting will include review of cumulative results of the approved and pending draft policy options; approval of remaining draft policy options, and consideration of the final report.

Some members said that they are not able to attend the final CCAG meeting but would like to have their votes on remaining draft policy options represented. Members were strongly encouraged to participate on the conference call of the CCAG that will be scheduled before the June 22 meeting, and staff was directed to circulate guidance for accepting electronically submitted votes or comments from CCAG members.